

Boosting College Opportunities

INFORMATION FOR COMMENCEMENT ADDRESSES 2005

**COMMITTEE ON EDUCATION & THE WORKFORCE
DEMOCRATIC CAUCUS
HONORABLE GEORGE MILLER, SENIOR MEMBER**

May 12, 2005

Dear Colleague:

In the upcoming months, millions of students will graduate from high schools and colleges across the nation, taking an important first step in creating opportunities towards a better life. Many graduates will pursue advanced degrees, enter the workforce, or aid their country through service in the military or national service programs such as AmeriCorps.

As the graduating class of 2005 embarks upon their new pursuits, Congress is preparing to reauthorize the Higher Education Act. This reauthorization has the potential not only to impact millions of Americans, but also to shape the landscape of higher education for years to come.

Many of us will be speaking at high school and college commencement ceremonies in the upcoming weeks. The enclosed talking points provide information that I hope you will find useful in preparing your remarks.

Sincerely,

GEORGE MILLER
Senior Democratic Member
Committee on Education & the Workforce

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Bush and Congress Fail to Make College Affordable

In addition to shortchanging elementary and secondary education, the 2006 education budget undermines years of progress made towards an affordable and accessible college education for all Americans by:

- **President Bush breaks his promise to increase the maximum Pell grant scholarship award to \$5,100 for the 5th straight year—while Congressional Republicans plan to freeze the maximum Pell grant scholarship through 2013.**
- **Failing to provide relief for rising tuition at colleges and universities.**
- **Increasing taxes on student borrowers—making college loans *more* expensive.**
 - The Bush budget forces a tax on student loans that would charge students an additional \$3 billion dollars over the next ten years; and,
 - The Bush budget eliminates the low fixed consolidation rate benefit and as a result, the typical borrower will be forced to pay \$5,500 more for his or her college loans.
- **Eliminating Pell grants scholarships for 81,000 students.** In late 2004, the Bush Administration made revisions to the information used to determine financial aid eligibility that will eliminate Pell grant scholarships for 81,000 students, and reduce Pell awards to 1.3 million additional students.
- **Eliminating the state college scholarships program, which puts \$1 billion of non-federal student aid—leveraged by federal funds—at risk.** President Bush eliminates the Leveraging Educational Assistance Partnerships (LEAP) initiative, which leverages state dollars for need-based grant aid with a federal match of \$1 for every \$2 that a state spends.
- **Jeopardizing college opportunities for more than 1 million disadvantaged and minority students.** President Bush completely eliminates funding for the GEAR UP, Upward Bound and Talent Search programs. As a result of these cuts, about 1.3 million students—70 percent of whom are minorities—will lose the support that they need to make it to college.
- **Providing small increases for Historically Black Colleges and Universities and Hispanic Serving Institutions—despite their escalating needs for increased infrastructure, student support services, and technology.**
- **Jeopardizing the funds that make it possible for nearly 8 million students to receive federal student aid at risk by forcing these funds to compete against Pell grants scholarships and other education priorities for funding under Bush's budget.**
- **Eliminating \$1.3 billion in funding for vocational education—which will result in a loss of re-training and improved academic achievement resources.**

Democratic Priorities: Boosting College Opportunities



Unfortunately, today not all Americans are afforded equal opportunities towards making a better life, especially when it comes to a college education. Each year millions of hardworking American families and students continue to struggle to cover college costs, even after scholarships, loans and work-study.

We cannot afford to leave any students behind. That is why it is imperative to support initiatives and solutions that boost college opportunities for all Americans.

The declining buying power of Pell grant scholarships and rising tuition prices are forcing millions of students to take on high debt, work long hours or even forgo college altogether.

Solutions:

- Doubling the maximum Pell grant scholarship and making Pell available year-round
- Allowing students to choose a fixed or variable rate on their consolidation loans—which will save the typical borrower more than \$5,500 over the life of his or her loan
- Lowering the interest rate cap on college loans, saving the typical student up to \$2,150
- Eliminating student borrower loan fees—saving the typical borrower more than \$500
- Allowing students stuck with high interest rates to refinance their loans
- Providing \$17,500 in loan forgiveness to highly qualified teachers, nurses and child care providers
- Permitting student borrowers to choose with which lender to consolidate their loans, repealing the anti-consumer Single Lender Rule

The weakened economy, regressive tax cuts for the super rich, and federal budget cuts have hurt state budgets, driving up tuition prices for students—more than 75 percent of whom attend public institutions.

Solutions:

- Renewing states' commitment to affordable tuition by growing state funds for higher education
- Providing incentives to public and private colleges to make tuition more affordable
- Ensuring that colleges curb their costs—and tuition prices—through cost containment strategies
- Putting students and families in control by providing easy to understand information about college costs through accessible public disclosures.

Democratic Priorities: Boosting College Opportunities (cont.)

Millions of minority and first-generation students cannot afford to attend college, while the institutions that traditionally serve these students struggle to expand their infrastructure, student support services and academic programs. Additionally, we face a shortage of minority teachers and an immediate need to encourage more Latinos to pursue advanced degrees.

Solutions:

- Significantly increasing investment in minority serving institutions
- Establishing a competitive grant program to expand advanced degree opportunities at colleges that serve large portions of Latino students
- Establishing ‘Centers of Excellence’ to improve teacher quality preparation for minority students
- Increasing student aid and special support services, including year round housing, for foster care youth who are pursuing a higher education.

Just one-third of all high school graduates have the skills and qualifications necessary to attend college. Every year millions of students are overwhelmed by the complexity of the student aid application process, while many more don’t believe that they are eligible to receive college aid.

Solutions:

- Boosting college participation among veterans, low-income and minority students by nearly doubling the investment in the college outreach programs, TRIO and Gear Up
- Establishing a new initiative to significantly raise college graduation rates
- Replacing the current 144 question application with a one-page E-Z form, and establishing a procedure to give students early estimates of federal student aid eligibility

Every year, taxpayers pay billions in wasteful subsidies to banks that make student loans—money that should be spent to make college more affordable for students by boosting college grants.

Solution:

- Eliminating loopholes that allow banks in the student loan programs to fleece taxpayers for billions of dollars every year. The money saved from closing the loopholes will be dedicated towards increasing Pell grant scholarships for low and moderate income students.

Overview

America was built upon the foundation of promise and limitless opportunities. For more than 200 years, countless immigrants have come to America from all corners of the globe in search of a better life and with the goal of realizing their dreams through hard work and investment.

Today, education—and higher education in particular—is more important than ever to solving the most pressing problems of our communities and the country. Access to an affordable, high quality education is inseparable from our economic prosperity, national security, and civic health. In a world where other nations are investing far more of their resources in education and research, and are producing graduates who rival our own in many areas of manufacturing and research, a high quality education is essential to our future success.

Yet millions of students—particularly Latinos and African-American students—are losing their opportunity for higher education because of inadequate preparation or financial hardship.

Closing the current college participation rate gap between minority and white students could add \$250 billion to our gross domestic product and \$85 billion in tax revenues to strengthening our economy and improving the quality of life for American families.

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Select Benefits of Higher Education

- ▶ The typical college graduate earns nearly three-quarters more than a high school graduate—or \$1 million—over a lifetime in the workforce.
- ▶ The Federal Government spends between \$800 and \$2,700 per year less on social programs for individual 30-year-old college graduates than for high school graduates of the same age, gender and race.
- ▶ The poverty rate for college graduates is about one-third of the poverty rate for high school graduates.

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The public policies that we craft to advance education should address key issues facing higher education. They must close the achievement gap between the rich and the poor, and minority and non-minority students. They must help to recruit and retain top young college graduates into teaching, nursing, and other high priority fields to meet the country's needs. They must make a quality college education accessible and affordable for all Americans.

The upcoming reauthorization of the Higher Education Act provides us with an opportunity to achieve these important national goals by crafting policies that will make colleges accessible and affordable to all students.

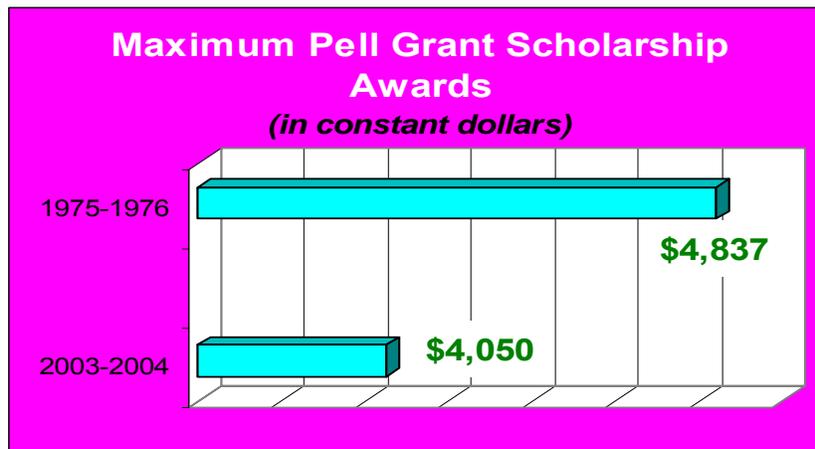
Key Issues Affecting Higher Education

AFFORDABLE COLLEGE EDUCATION

► Declining Buying Power of College Grants

For the 5th year in a row, President Bush has broken his promise to provide a \$5,100 maximum Pell grant scholarship. Bush's failure comes just as:

- The maximum Pell grant scholarship is worth nearly \$800 less (after adjusting for inflation) than it was in 1975-76.
- Thirty years ago, federal grants accounted for more than 70 percent of all federal student aid. Today, loans account for 70 percent of all federal student aid, while grants make up just 22 percent. The result: growing student debt.



Source: The College Board

► Rising College Tuition



College tuitions continue to rise, jeopardizing low and middle-income students' access to a college diploma. A key reason for the rise in tuition is that many states are cutting their investment in their higher education institutions or failing to adequately meet growing demands.

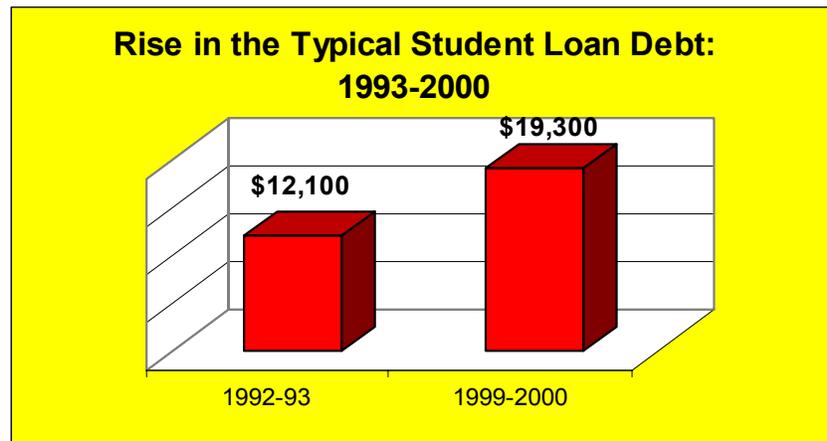
Years of a weak economy, huge tax cuts for the super rich, and federal budget cuts have hurt state budgets, driving up tuition prices for students—more than three-quarters of whom attend public institutions.

In the past year alone, tuition has increased an average of 10.5 % at 4-year public institutions, 8.7% at 2-year public institutions, and 6% at 4-year private institutions.

Not only has President Bush failed to stop tuition hikes, but he continues to break his 2000 campaign promise of a \$5,100 maximum Pell grant scholarship. Bush's proposal to increase the maximum Pell scholarship by \$100 (to \$4,150), or 2.5 percent over last year, barely even keeps pace with inflation.

► Sky-rocketing Student Loan Debt

The decline in the purchasing power of federal and state grants, and massive state budget cuts which have triggered tuition hikes continue to strain our ability to ensure access to a college education for all Americans.



Source: U.S. Department of Education

As a result, increasing numbers of students and their families are falling further into debt to finance a college education.

- The typical student graduates with more than \$19,000 in federal loan debt.
- Almost 40 percent of all student borrowers graduate with unmanageable debt levels.

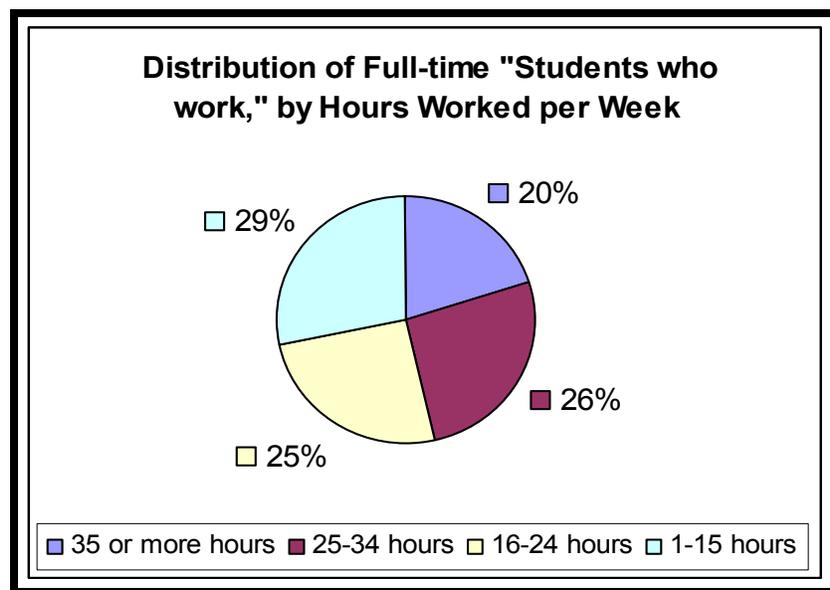
To make matters worse, the Bush and Republican 2006 education budgets:

- force a tax on college loans that would charge students \$3 billion dollars in additional taxes over the next ten years; and,
- eliminate the option for student borrowers to lock in a low fixed rate on their college loans—and as a result, the typical borrower will pay \$5,500 more in interest for his college loans.

► Long Work Hours

More and more students are working long hours to help finance their college education.

- Seventy-five percent of full-time students now work to help cover their college expenses.
- **Almost half of all full-time students who work are working enough hours to hurt their academic performance and the overall quality of their education.**
- **Twenty percent of working students work 35 or more hours a week while enrolled in school full-time.**



Source: State PIRGs' Higher Education Project, *At What Cost?*, 2002

INCREASING HIGH SCHOOL AND COLLEGE ENROLLMENTS

The generation often referred to as the “baby boom echo” generation flooded the nation’s public elementary schools during the 1990s. Soon they will enter American institutions of higher education, resulting in record enrollments that will further strain the ability of colleges and universities to deliver a quality education to their students.

- The graduating high school class of 2008 will reach a record high of 3.2 million, or 26 percent more than the class of 1996.
- **College enrollment is expected to expand by 14 percent, to more than 15 million students, over the next decade.**



- Of that expected 14 percent increase, 4 out of 5 of these students will be low-income, minority, or the first in their family to attend college. In addition, 20 percent of these students will come from families living below the poverty line.

Our current student aid programs will not be able to meet the growing needs of the expanding college population.

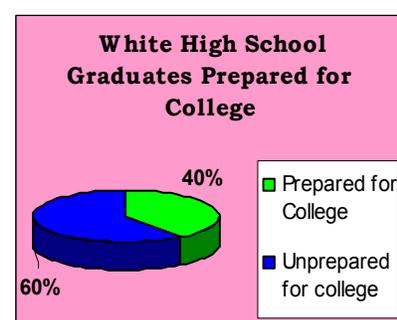
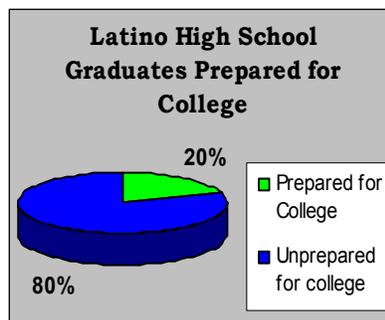
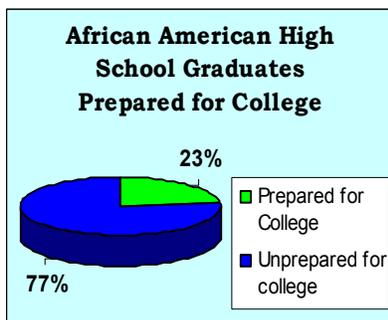
Today, the typical low-income student already falls \$3,800 short of college costs even after their family contribution; student loans, grants, and work have been accounted for. The typical middle-income student falls \$2,250 short.

PREPARING HIGH SCHOOL GRADUATES FOR COLLEGE

Despite some gains in college participation and attainment, wide disparities by race and income persist. The problem is particularly severe for Latino students: Almost half of all Latinos age 25 and older lack a high school degree, compared to 20 percent for the population as a whole.

- Forty percent of white high school graduates were college prepared, only 23 percent of African-Americans and 20 percent of Latinos were prepared to attend college.
- Sixty-five percent of students from the lowest-income families graduate from high school, compared to 95 percent of students from the most affluent families.

In addition, every year millions of students are overwhelmed by the complexity of the student aid application process, while many more don't believe that they are eligible to receive college aid.



COLLEGE GRADUATION RATES

Far too few students who enter our colleges and universities earn degrees. Only 6 out of every 10 students who begin their college careers as full-time freshman at four-year colleges and universities earn a bachelors' degree within 6 years.

Low-income and minority students who begin college as full-time freshman are even less likely to graduate.

College Graduation Rates

	<i>Six-year Graduation Rate</i>
Low-Income	54%
High-Income	77%
African-American	46%
Latino	47%
White	67%
Total	63%

HIGHER EDUCATION AS A VEHICLE TO ADDRESS NATIONAL PRIORITIES

America's higher education system has long served as a vehicle to achieve economic prosperity, national security, and an educated citizenry. From the establishment of the Land-Grant Colleges, the G.I. Bill and the National Defense Act of 1958—which launched many of our federal student aid programs—Congress has used increased access to higher education as a tool to move this country forward.

Today, more than ever before, we must tap into the ability of higher education to help meet our national priority needs. We currently **face shortages of highly skilled workers in public service sectors such as teaching and nursing** which threaten the well being of the nation.

- Over the next 10 years the nation will need an additional 2 million highly qualified teachers.
- There is a national shortage of 126,000 nurses; and, nursing school graduates have decreased by 29 percent between 1995 and 2001.

In addition, the landscape of the U.S. workforce has changed dramatically over the past few decades, and **the demand for highly skilled workers with a college degree or advanced training is rising sharply.**

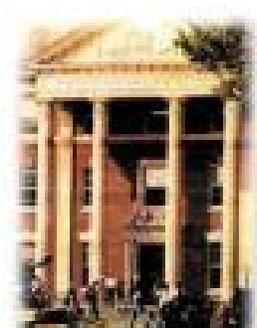
- By 2020, 15 million new jobs that require college educated and highly skilled workers will be created.
- There will be a deficit of 12 million college-educated U.S. workers during the same time period, leading to a flight of jobs overseas to countries that are producing increasing numbers of highly trained professionals.

DIVERSITY IN OUR SCHOOLS

America has benefited tremendously from its unique diversity, particularly in its public schools and institutions of higher education. Diversity of race, gender, ethnicity, income-level, religion, political outlook, and various other identifiers have been shown to enhance the learning environment.

Studies have shown that postsecondary diversity benefits a student's academic development, satisfaction with college, commitment to multiculturalism, racial understanding; and, that it increases the retention of minorities.

Despite their critical importance, Historically Black Colleges and Universities, Hispanic Serving Institutions, and other minority serving institutions must face a critical lack of resources.

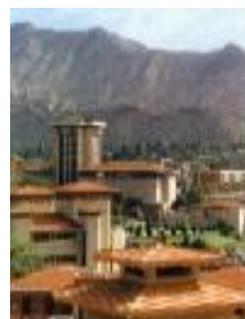


While Historically Black Colleges and Universities comprise 4 percent of all 4-year colleges and universities, they confer about 25 percent of all bachelors' degrees earned by African-Americans. Yet, faculty salaries at Historically Black Colleges and Universities are about 20 percent lower than the national average and per-pupil expenditures at these colleges are roughly 10 percent lower than the national average.

Despite the critical need for increased investment at Historically Black Colleges and Universities, **President Bush's 2006 education budget provides them with less than a 1 percent investment increase.**

Hispanic Serving Institutions serve nearly half of all Latino college students. As Latinos increase their share of the overall college population and workforce, Hispanic Serving Institutions will be even more important towards training a skilled labor force.

Today, Latinos account for 1 out of every 3 new workers who enter the workforce and by 2025 they will account for 1 out of every 2 new workers. Yet, President Bush's 2006 education budget provides less than a 1 percent investment increase for these colleges.



Excellence in Higher Education Begins with Excellence in our Elementary and Secondary Schools

In order to achieve full access for all Americans to a college education, we must first make sure that our elementary and secondary schools are on track to allow each and every child to meet their full potential. The reforms of the No Child Left Behind Act (NCLB) have launched an unprecedented effort to reverse decades of neglect of our poorest and neediest school children. NCLB establishes as a national goal that all Americans, regardless of income, have an opportunity to get a high quality public education.

These reforms are designed to: close the achievement gap between the rich and the poor; provide struggling schools with the assistance that they need to improve; enhance teacher quality; target resources to at-risk and disadvantaged youth; and, provide schools with the flexibility that they need to meet their local needs.

President Bush and Congress have failed to live up their promise to leave no child behind by shortchanging education reform in the 2006 budget, as they have in each year since the law's enactment.

NCLB Funding FY 2002—2006

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
NCLB Authorized Level¹	\$26.4 billion	\$29.2 billion	\$32 billion	\$34.3 billion	\$36.9 billion
FY 2002-2005 Appropriations and FY 06 Bush Request	\$22.2 billion	\$23.8 billion	\$24.5 billion	\$24.9 billion	\$24.8 billion
NCLB shortfall	-\$4.2 billion	-\$5.4 billion	-\$7.5 billion	-\$9.4 billion	\$12.1 billion

The 2006 Bush budget (and the Republican Budget Resolution, which assumes the same level of spending as the Bush Budget) shortchanges education reform by:

- **Failing to fully fund No Child Left Behind (NCLB) by a total of \$38.6 billion** since the law was enacted.
- **Denying nearly 1.7 million children access to after school learning programs.** President Bush breaks his promise to provide full funding of \$2.25 billion in fiscal year 2006 for the 21st Century Learning Centers Initiative—which provides safe, healthy places for children to learn after school.

¹ Totals assume continuation of programs without authorization levels defined in NCLB at FY 2002 levels.

- **Denying critical education services, such as extra help in reading and math, to 3 million disadvantaged children.** President Bush provides \$9.4 billion less than the \$22.75 billion that he promised for disadvantaged children in Title I funds under No Child Left Behind (NCLB).
- **Eliminating funding for education technology,** despite the positive learning outcomes associated with the use of technology in the classroom.
- **Freezing bilingual education for the fourth year in a row at \$681 million,** despite the fact that the number of students with limited English proficiency is growing rapidly.
- **Terminating vocational education programs** and drastically cutting funding for adult education. Fortunately, Congress recognized the importance of vocational education when the House passed legislation extending this program for 6 additional years this month.
- **Jeopardizing the successful Head Start program.** President Bush once again proposed an 8 state block grant program that will dismantle Head Start and divert \$45 million from the program.



Our school principals and teachers have been working hard to implement NCLB. Yet President Bush and Congress have failed to provide adequate funding for NCLB or to ensure its proper implementation. As a result, there is now a **\$38.6 billion cumulative shortfall in the funding levels promised under NCLB.**

In addition, the Department of Education took 2 years to issue many of the key rules and regulations that schools need to implement the Act's accountability and teacher quality provisions. This has made it more difficult to implement NCLB's requirements, often leading to confusion among our teachers and school officials. All of our States and schools have the right to clear guidance and should be treated fairly and equally when it comes to the implementation of NCLB.

We must continue to demand full funding for NCLB so that all schools can implement the important reforms of NCLB and provide a quality education to all of the nation's children.

Conclusion

More than ever before, a quality education is integral to the success of Americans and the nation as a whole. As an increasing number of students graduate from high school and pursue postsecondary education and training, we must make the necessary investment to deliver accessible, affordable and excellent education to all Americans.

Failure to invest in education and to enable all children to participate in higher education will undermine America's economic prosperity, national security, and our ability to compete in the ever-expanding global market.